The treatment of social problems, which characterized economic teachings during the second half of the 19th century, probably fostered the development of social politics and sociology but neglected (for the time being) consideration of elementary economic relationships and, therewith, economic theories. The latter in its "classical form" was rejected, inasmuch as historical relativism, lacking an understanding of general legalities, quashed any attempt to establish special rules from universally conceded principles and acknowledged perceptions, acquired in such a manner, as only a systematization of economic ideas pertaining to the time involved. As a result there occurred a discrepancy between economic science and applied economics. 815 816

Carl Menger, who instituted a new era of national economic research (Grundsätze der Volkwirtschaftslehre, 1871), established the connection between theory and applied economics on the strength of their relationships and reciprocal effects. His ideas became authoritative with regard to modern "market economy," the re-institution of which is also the aim of the ERP program.

Menger is one of the first who penetrated through the surface tendencies of markets, barter values, prices, profits, revenues, wages, etc., getting down to the core of economics. In his opinion the latter is not directed by independent regulations, free of human influence, but is shaped by actions of individuals. The economically active human being becomes the center of observation; his needs represent the starting point and their satiation the end point between which economic thoughts and actions occur. Between these two terminals, therefore, actions take place, and from their multiplicity generally accepted economic principles are derived.

Menger approached his research from a thoroughly empirical basis, characteristic of the realism of modern theory, in deliberate contradiction to philosophical or metaphysical speculations or to politically oriented constructions. Through an ingenious analysis of the processes of price origins, he concluded that, basically, the price structure rests upon the evaluation which consumers attribute to a certain commodity. This evaluation (subjective) begins with the estimate of the value of the

815 structure) and "Gestaltungslehre" (principles of development), whereby occurrences within the society are reflected in the particular social establishments as, for example, in the relation of necessity and satiation in an economy. In addition, representatives of the "organic principles" are E. H. Vogel (Theorie des Bedarfdeckungsprozesses und der Einkommensbildung, 1945), who, in his works on financial science, does acknowledge the influence of the Austrian School; W. Heinrich (Wirtschaftspolitik, 1948), a pupil of O. Spann who follows the trend towards social universalism and H. Tautscher (Bankenverstaatlichung; Zur Frage des gestuften Zinses, 1946; Staatswirtschaftslehre des Kameralismus, 1947). Tautscher, sharing partially the ideas of Vogel, nevertheless follows a more neo-mercantile trend while Th. Pütz (Theorie der allgemeinen Wirtschaftspolitik und Wirtschaftslenkung, 1949) follows Gottl.

National economists of a more conservative viewpoint, whose interests center more around questions of economic and social policy, are F. Degenfeld-Schonberg, F. A. Westphalen and E. Lagler. The sociologist A. M. Knoll is a close associate.

Theorists of the socialistic conception, who, besides historical researches, promulgate questions of planned economy, prospects and crises, socialization and union problems, include: C. Grünberg, Emil Lederer, J. Marschak (agrarian problems).

816 647 Next to the pure theorists are to be mentioned practical economists, with accumulated knowledge and experience, who, in responsible public positions, promulgated the Austrian course in many a crisis. Of the large number, just a few recent ones can be mentioned.

V. Kienböck was formerly minister of finance and president of the Oesterreichische Nationalbank. After the First World War, as financial expert of Federal Chancellor Ignaz Seipel, he effected the currency reform. Kienböck is at present consultant to the Oesterreichische Nationalbank. His book on currency and economy appeared in 1947 (Währung und Wirtschaft).

W. Taucher was minister of commerce and chief of the Chamber of Commerce of Graz in Styria. He is now managing the ERP Central Office within the Federal Chancellery. Taucher lectures at the University of Graz on economic policies.

Karl Renner, the late federal president, who died in 1950, occupied himself particularly with social-political questions. Despite his age and professional obligations he published during the last years Die neue Welt und der Sozialismus, 1946, Vom liberalen zum sozialen Staat, 1948, besides numerous social-political contributions. 643 816

The minister of foreign affairs, Karl Gruber, who also lectures on national economy as "Privatdozent" at the University of Vienna, published Voraussetzungen der Vollbeschäftigung, 1946, and Die Zusammenhänge zwischen Grösse, Kosten und Rentabilität industrieller Betriebe, 1948. 645 816

From this it may be seen that the Austrian national economists, whether they be theorists or practical experts, provide a strong unity of theory and practice. Teachers of universities (especially of the University of Vienna), are frequently entrusted by the government with important economic tasks which they perform within the sphere of a higher public function or upon an economic level. 815 816

Besides the colleges, also the Bundeskammer der gewerblichen Wirtschaft (a chamber organization), especially the Chamber of Commerce, Vienna, and the Austrian bureaucracy (particularly the Ministry of Commerce and the Ministry of Finance) have leading economists in their employ.

This synthesis of science and practical experience also accomplished in the postwar years the solution of various problems, no matter whether they concerned questions of currency, banking and credit, production and investment policies, and, in connection with the Marshall Plan, the drawing up of economic programs, foreign trade, foreign exchange and payment balances. From the above it may be seen that the younger generation of Austrian economists in ministerial service has been able to master the problems arising with the initiation of the Marshall Plan on the strength of its thorough theoretical schooling.

B. Organizations and Publications in the Field of Economics.

815 Austria boasts of a number of leading societies and institutions which foster theoretical national economics and current economic policies. The "Nationalökonomische Gesellschaft" (National Economic Society), Vienna, established in 1918, covers the field of theoretical national economics. The present chairman is Hans Mayer, already mentioned above. The "Gesellschaft österreichischer Volkswirte" (Society of Austrian Economists) follows an economic-political course. It was founded by the late member of parliament, Dr. Alexander Peez, in the eighties of the last century, and is presently under the chairmanship of Dr. Ernst Mosing, former president of the Oesterreichische Boden-Credit-Anstalt. The "Oesterreichisches Institut für Wirtschaftsforschung" (Austrian Institute of Economic Research), founded under the sponsorship of the Vienna Chamber of Commerce in 1927, gained international repute under qualified leaders (since 1945 F. Nemschak and E. John). The 816 regularly published monthly bulletins Monatsberichte, con- 204 taining numerous statistical data, are not only important for the official economic policy, but also provide private practical economists with valuable material. Chairman of the board of trustees is the former minister Dr. H. C. Eduard Heinl, president of the Creditanstalt-Bankverein, vice-chairmen are the retired secretary-of-state, Karl Mantler, president of the chamber of workers and employees, and Dr. Hans Mayer, professor at the University of Vienna. Besides comprehensive treatises with regard to the development of the Austrian economy (annual reports) and general surveys of prospective trends (monthly reports), studies in various economic sectors are being undertaken and the results published. They provide a clear picture of the development of Austria. Particularly numerous were last year's publications, among which the following questions were analyzed: margins in the price and wage structure; larger seasonal unemployment following an over-dimension of construction programs; the new federal budget (1950); business failures in Austria since the end of the war; current questions about production increases; the situation in international raw material markets; the production and use of milk and milk products in Austria; the fourth price and wage agreement; the raw material markets of the fourth quarter, 1950; development of the working week in industry; the federal budget in 1951; Austria's economy at the end of 1950; Austria's bread consumption.

In addition the Institute had been entrusted with a number of tasks by public institutions or by agencies working for public interests. The Federal Chancellery, Central Office for ERP Affairs, entrusted to the Institute the preparation of reports and the expression of opinions as well as other tasks, while the Central Office itself, in accordance with Article VI, paragraph 2, and Article VII, paragraph 4, of the bilateral agreement between the United States of America and Austria of July 2, 1948, prepared the quarterly economic reports, outlining results achieved with ERP means and the economic measures undertaken. The Austrian Investment Program of 1950-1952 has been designed in collaboration with the Institute.

A close cooperation exists between the Institute and the "Oesterreichisches Produktivitätszentrum" (OPZ) (Austrian Productivity Center), Vienna. The Zentrum was created by a ministerial decision of March 6, 1950. Dr. Taucher, Chief of the Federal Chancellery, Central Office for ERP Affairs, serves as president. Dr. Nemschak acts as manager. Within the scope of this cooperation a number of problems were investigated: the scarcity of vocational employment for youth and combating it; the Austrian paper industry; the processing of Austrian foreign trade transactions; the Viennese housing requirements and its future development; opinion studies of managers, engineers, foremen, and employees relative to production increases; possibilities of increased yield from the tourist trade through elimination of seasonal trends; cooperation in the designing of rules permitting the ascertainment of production index numbers of cotton textile mills relative to a coordination of the averages with upper and lower margins. Shortly released will be: structural analysis of the Austrian textile industry; analysis of the employment possibilities and causes of unemployment in the catering trade; preparation of a memorandum about the effects of a prolonged scarcity of imported raw materials upon Austrian production and employment situation; the Austrian railroad-trucking problems; the development of productivity since the end of the war; extension of a wage and earning index in collaboration with the Bundeskammer der gewerblichen Wirtschaft; comparison of the living cost indexes of various countries; development of raw material consumption, investment activity and turnover; improvement of living costs and wage index calculations for which additional statistical investigations are necessary. The Austrian Productivity Center published monthly a pamphlet Der Schüssel (The Key), intended to foster within an extended circle of readers understanding of production step-ups and exchange of technical experiences.

204 177 647 433 Operating within the Austrian Productivity Center there is a sub-section for "Technical Assistance." This provides Austrian experts of various establishments with opportunities to acquaint themselves with the latest developments of their business lines in the United States. The results of these study trips are evaluated in a publication Die Studienreise, in which the impressions and experiences of the technical assistance delegation are brought to the attention of a large circle of interested persons. The first publications are entitled Moderne Holzernte (Modern Lumber Crops) and Gäste aus Amerika (Guests from America). To acquaint the public at large in a comprehensive manner with the productivity problem, a popular pamphlet series Der Ausweg (The Way Out) has been published, its first number being entitled Produktivitätssteigerung--der Ausweg (Greater Productivity - the Way Out).

Particularly valuable for the exchange of ideas, formulas, etc., is the Economic Technical Information Service of the Austrian Productivity Center which developed into a liaison office between domestic and foreign information centers. Collaborating with Technical Assistance, it answers inquiries about American production processes, firms and equipment, and loans small-sized motion picture films and projection apparatus. It further provides, in cooperation with OEEC countries, trade or professional journals and books, furnishes excerpts of the latest American professional literature ("Digest and Abstracts Service") and answers inquiries about American licenses and patents. This service is supplied and supported by a documentation center.

647 816 [204] A special cooperation for the furtherance of statistics exists between the Oesterreichisches statistisches Zentralamt, Wien (Austrian Statistical Central Office, Vienna), and the Institute of Economic Research. The Statistical Central Office publishes monthly, in collaboration with the Committee of Economic Central Offices and Chambers, the official Statistische Nachrichten (Statistical News), the editor-in-chief of which is presently Hofrat Dozent Dr. Arnold Madlé. In this connection the Oesterreichische Statistische Gesellschaft (Austrian Statistical Society) should also be mentioned. It was established March 31, 1951, for the purpose of cultivating statistics in all sections of the social and natural sciences besides furtherance of statistical teaching. Chairmen of the board of trustees are: the president of the Austrian Statistical Central Office,

former minister Dr. Georg Zimmermann, and the manager of the Statistisches Institut der Universität Wien (Statistical Institute of the University of Vienna), Professor Dr. Wilhelm Winkler. The latter is the author of a number of treatises about principles of methods and economic statistics. In this field of endeavor he is being supported by F. Klezl-Norberg, vice-president of the Statistical Central Office. These two theorists share, from a national economic point of view, the ideas of the Austrian School, whereby the first named inclines more or less towards mathematics and economics.

The Ständige interministerielle Referentenkomitee zur Bekämpfung der Arbeitslosigkeit und Sicherung der Vollbeschäftigung (Permanent Inter-ministerial Committee of Department Heads to combat Unemployment and to secure Full-time Employment) also cooperates with the Institute of Economic Research. This committee concerns itself not solely with the task of enforcing immediately adequate measures, but also directs attention towards weak points in the economy which eventually could influence the intensity of work; it further prepares long-term economic measures which should be enacted.

The Mitteilungen (Reports) of the Oesterreichisches Kuratorium für Wirtschaftlichkeit (Austrian Board of Trustees for Economy), a board sponsored by the Bundeskammer der gewerblichen Wirtschaft, are especially concerned with rationalization problems (Manager: Consul Schmidhuber). Science of business economics is a discipline particularly taught at the Hochschule für Welthandel, Vienna, which has quite a number of experts on its lecturing staff (W. Bouffier, F. Dörfel, K. Oberparleiter). This branch of science became, via the balance theory, more and more related to theoretical economics. In this way--and this applies to the entire field of commercial science--the selection of themes, the setting of problems and the methods of presentation show the influence of the Austrian School. The science of business economics has contributed to better and more standarized forms of accounting, improvements in bookkeeping and cost accounting. Scientific handling of advertising and market research has substantially improved plant management.

Austria has become intensely interested lately in methods of work psychology, which have proven successful in the United States, England and other western nations. In this connection may be mentioned the

461 Oesterreichisches Institut für angewandte Arbeits-
466 wissenschaft (Austrian Institute of Applied Science
816 of Work), Vienna, under Dipl. Ing. Otto Korwik. Employing principles of work-psychology, this institute has undertaken research work within large plants on production increases, improvement of quality, of production, working conditions, etc. The magazine Mensch und Arbeit, published by the Arbeitsgemeinschaft für Psychotechnik in Oesterreich (Committee for Psycho-Technics in Austria), Vienna, covers this field. On the board of trustees of this committee are former minister Dr. H. C. Eduard Heinl, member of parliament and president of the Gewerkschaftsbund Johann Böhm, as well as many other prominent individuals.

654 Thanks to a release of ERP-counterpart
313 funds, it will be possible to establish an Austrian Institute for Timber Research. The lumber industry is one of the most important in Austria. This Institute shall furnish the work industry with new theoretical and practical ideas, which in turn should benefit production. The Institute will cooperate closely with the testing laboratories of the technical colleges of Vienna and Graz.

217 Scientific as well as economic endeavors
815 are being supported by large libraries. The Wiener Handelskammer (Chamber of Commerce), for instance, accumulated during the one hundred years of its existence more than 150,000 volumes, becoming thereby not only the largest library of economic science in Austria but probably also in central Europe if one takes into account the losses incurred during the last war. The latest foreign publications are in its collections and it is continuously frequented by economists as well as students of national economics. The library of the Oesterreichische Institut für Wirtschaftsforschung contains 10,000 volumes, mostly about market prospecting and foreign trade, while the library of the Institut für Wirtschaftswissenschaften an der Wiener Universität with its 30,000 volumes comprises works of theoretical economics besides international publications.

204 Austria also has a number of well-edited
815 periodicals for political economy. The oldest one in the economic field in Austria, adhering to a scientific background and serving an extended reader clientele, is Der Oesterreichische Volkswirt (The

Austrian Economist), founded by W. Federn in cooperation with G. Stolpern. An English edition is now being issued. The Vereinigung österreichischer Industrieller, a private society of industrialists, issues a weekly Die Industrie. Direktorium der Oesterreichischen Nationalbank, issued monthly, is top-notch. It contains, in addition to topics about the financial and economic developments in Austria, statistical charts, diagrams, data about the circulation of currency, the processing of reconstruction credits, rates of exchange, ERP counterpart accounts, surveys about the development of credit volume and of deposits, price trends, imports and exports, payment balances, etc. The Creditanstalt-Bankverein, Vienna, issues besides its quarterly economic reports, Wirtschaftsberichte, and monthly Monatsberichte, special publications (e.g., on the Marshall Plan). The Oesterreichische Länderbank A. G., Vienna, also issues a monthly report. The association of banks and bankers, Verband österreichischer Banken und Bankiers (President: Dr. Josef Joham, General-Manager of Creditanstalt-Bankverein; Manager: Dr. E. Kamlik) publishes semi-monthly the Bankenkorrespondenz (Editor-in-chief is Dr. Gustav Knoth). It contains news about international developments in banking and finance.

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With regard to ERP aid, there appear besides the quarterly publications of the Federal Chancellery ERP Central Office, a number of compiled publications, among them Oesterreich und der Marshallplan (Gerlach and Widing, Vienna, 1950) and the Oesterreichisches ERP Handbuch (Verlag für Geschichte und Politik, Vienna, 1950). The latter two were published under the sponsorship of the Federal Chancellery ERP Central Office and contain basic documentary material (laws, etc.). In commemoration of its 100th anniversary the Bundeskammer der gewerblichen Wirtschaft published a lavishly detailed work, 100 Jahre österreichischer Wirtschaftsentwicklung 1848-1949 (Springer Verlag, 1949) under the editorship of Professor Hans Mayer. In this extensive volume emphasis is on economic questions not only from a historical but also from a scientific point of view. Of economic periodicals catering to a professional audience mention must be made of Die Wirtschaft and Die internationale Wirtschaft, both published by the Oesterreichischer Wirtschaftsverlag, Vienna. A number of publications emphasizing vocational trends are issued by the Oesterreichisches Gewerbeförderungsinstitut (Austrian Institut for Trade Promotion, Vienna), an institution sponsored by the Bundeskammer der gewerblichen Wirtschaft.

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204 (These publications are printed at the Oesterreich-
816 ischer Gewerbe-Verlag. The economic columns of some
newspapers are also well done, especially those of
the independent Presse. Literature about scientific
and political economics doubtless has achieved a
significant level in postwar Austria, despite the
difficulties publishers and newspapers have because
of limited outlets.

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